

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



中國建築國際集團有限公司
CHINA STATE CONSTRUCTION INTERNATIONAL HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3311)

**RENEWAL OF CONTINUING CONNECTED TRANSACTIONS
WITH
CHINA OVERSEAS HOLDINGS LIMITED**

Reference is made to the announcement dated 20 September 2011 and the circular dated 7 October 2011 of the Company in relation to the Previous COHL Build-Transfer Construction Agreement entered into between the Company and COHL which will expire on 31 October 2014.

The Directors expect that the COHL Group will continue to invite the Group to undertake projects for the financing, design and construction of housing and infrastructure on the basis of “Build-Transfer” mode for the COHL Group in relation to urban-rural coordination projects in the PRC (the “BT Projects”) from time to time. In this connection, on 28 October 2014, the Company and COHL entered into the New COHL Build-Transfer Construction Agreement to renew the Previous COHL Build-Transfer Construction Agreement for a term of three years commencing from 1 January 2015 and ending on 31 December 2017 subject to the COHL Build-Transfer Construction Cap.

COHL is the controlling shareholder of the Company. Accordingly, members of the COHL Group are connected persons of the Company. The COHL Build-Transfer Construction Transactions contemplated under the New COHL Build-Transfer Construction Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Since the applicable percentage ratios as defined under the Listing Rules in respect of the maximum total contract sum of BT Projects for each year under the New COHL Build-Transfer Construction Agreement, i.e. the COHL Build-Transfer Construction Cap, are more than 0.1% but less than 5%, the COHL Build-Transfer Construction Transactions contemplated under the New COHL Build-Transfer Construction Agreement are subject to the annual review, reporting and announcement requirements, but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

The Shareholders should note that the COHL Build-Transfer Construction Cap represents the best estimate by the Directors of the amount of the COHL Build-Transfer Construction Transactions based on the information currently available. The COHL Build-Transfer Construction Cap bears no direct relationships to, nor should be taken to have any direct bearings to, the Group's financial or potential financial performance. The COHL Group may or may not contract with the Group to undertake the COHL Group's BT Projects up to the level of the COHL Build-Transfer Construction Cap, if at all, as its engagement is subject to tender procedures of the COHL Group which are open to other independent third party.

RENEWAL OF CONTINUING CONNECTED TRANSACTIONS

Reference is made to the announcement dated 20 September 2011 and the circular dated 7 October 2011 of the Company in relation to the Previous COHL Build-Transfer Construction Agreement entered into between the Company and COHL which will expire on 31 October 2014.

On 28 October 2014, the Company and COHL entered into the New COHL Build-Transfer Construction Agreement to renew the Previous COHL Build-Transfer Construction Agreement for a term of three years commencing from 1 January 2015 and ending on 31 December 2017 subject to the COHL Build-Transfer Construction Cap.

NEW COHL BUILD-TRANSFER CONSTRUCTION AGREEMENT

Date

28 October 2014

Parties

1. The Company; and
2. COHL.

COHL Build-Transfer Construction Transactions

The Directors expect that the COHL Group will continue to invite the Group to undertake projects for the financing, design and construction of housing and infrastructure on the basis of “Build-Transfer” mode for the COHL Group in relation to urban-rural coordination projects in the PRC (the “BT Projects”) from time to time.

Accordingly, under the New COHL Build-Transfer Construction Agreement, the Company and COHL agreed, among other things, that for a term of three years commencing from 1 January 2015 and ending on 31 December 2017:

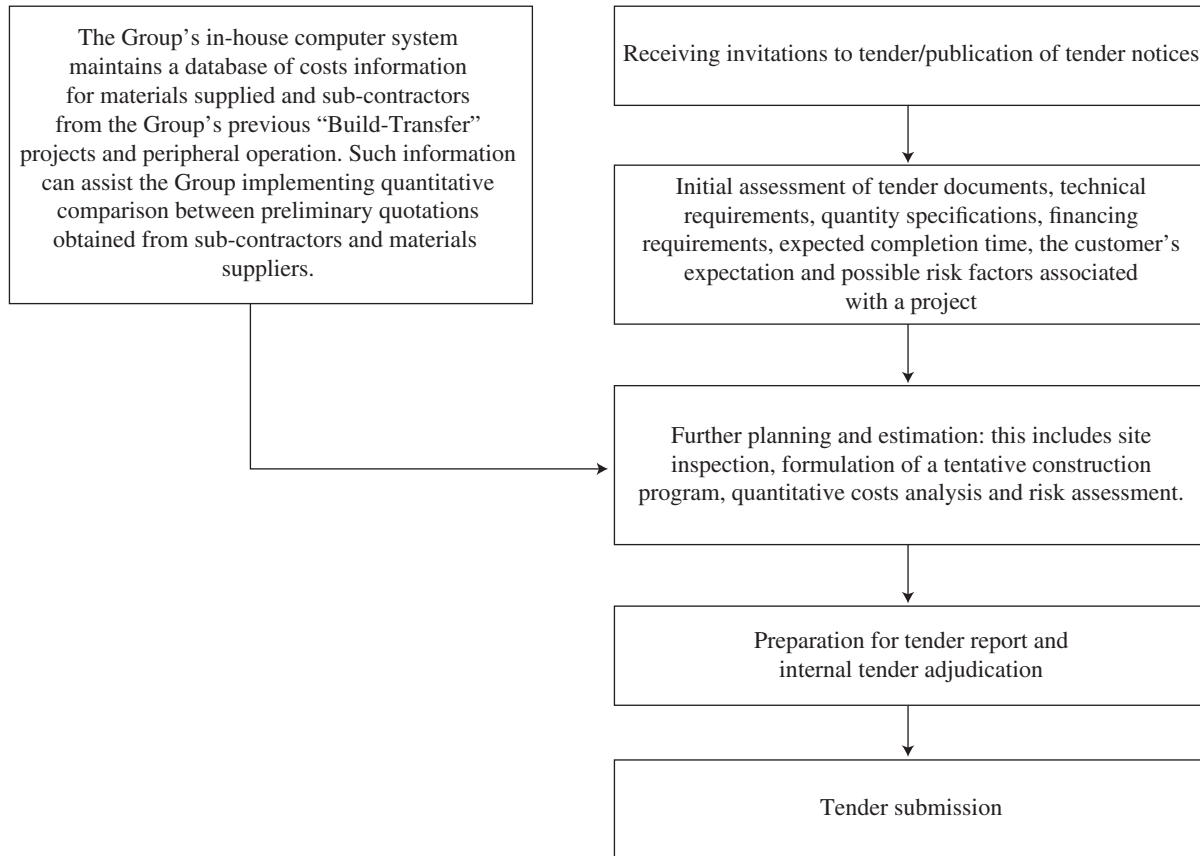
- (a) the Group may tender for undertake the COHL Group’s BT Projects in accordance with the tendering procedure of the COHL Group from time to time and on the same and normal terms as offered to other independent third party;
- (b) if any project is granted in favour of the Group as a result of the above tender, the Group may undertake COHL Group’s BT Projects based on the terms of the successful tender provided that the maximum total contract sum of BT Projects for the financial year ending 31 December 2015 shall not exceed RMB1,000 million (equivalent to approximately HK\$1,265,822,785), for the financial year ending 31 December 2016 shall not exceed RMB1,000 million (equivalent to approximately HK\$1,265,822,785) and for the financial year ending 31 December 2017 shall not exceed RMB1,000 million (equivalent to approximately HK\$1,265,822,785) (i.e. the COHL Build-Transfer Construction Cap); and
- (c) the contract price for the BT Projects (including accrued interests) payable by the COHL Group to the Group will be settled by installments and pursuant to the payment terms set out in the specific contracts between the member of the COHL Group and the member of the Group.

Pricing basis of the Group’s tenders submitted to the COHL Group

The price and terms of the Group’s tenders submitted to the COHL Group for the COHL Group’s BT Projects are subject to the standard and systematic tender submission procedure maintained by the Group, which applies for tender submitted to both connected persons and independent third parties, in order to ensure that the price and terms of the proposed tender submitted by the Group to COHL Group is no more favourable than those submitted to independent third parties.

The standard and systematic tender submission procedure generally involves (i) receiving invitation to tender; (ii) initial assessment of tender documents; (iii) further

planning and estimation; (iv) preparation for tender report and internal tender adjudication; and (v) tender submission. The procedure, as illustrated in the following diagram, will enable the Group to review the feasibility and profitability of the tender to be submitted and to decide the contents and pricing terms of the tender to be submitted.



In preparing and assessing the tender documents, the Group will take into account factors including the technical requirements, quantity specifications, financing requirements, expected completion time, the customer's expectations and the possible risk factors associated with the project. The Group will then perform site inspection, form a tentative construction program and conduct quantitative costs analysis and risk assessment.

In determining the pricing terms, the Group will review the costs information maintained by its in-house computer database for materials supplied and sub-contractors from the Group's previous "Build-Transfer" projects and peripheral operation. These information will assist the Group to conduct quantitative comparison between quotations obtained from sub-contractors and on the costs of the materials.

The review committee of the COHL Group (the “**Review Committee**”), which is independent from the Group, may approve or reject the tender submitted by the Group based on the analysis result of its tender review process. In addition, the Review Committee is also responsible for deciding the contents and pricing term of the proposed tender. If any contract is granted in favour of the Group as a result of the competitive tender, the relevant project owner of COHL Group will issue a letter of award to the Group and the Group will undertake the BT Projects for the COHL Group based on the terms of the successful tender.

Calculation of the COHL Build-Transfer Construction Cap

The COHL Build-Transfer Construction Cap is calculated with reference to the following factors:

- (a) total estimated contract sum of new “Build-Transfer” projects of the COHL Group in the three-year period commencing from 1 January 2015 and ending on 31 December 2017, estimated with reference to the COHL Group’s future growth and expansion for such period; and
- (b) the Group’s financing ability and construction work capacity in the PRC in the three-year period commencing from 1 January 2015 and ending on 31 December 2017 estimated by the Directors.

The Group has not been undertaken any BT Projects for the COHL Group in the period between 1 November 2011 to 30 September 2014.

REASONS FOR THE COHL BUILD-TRANSFER CONSTRUCTION TRANSACTIONS

As the Previous COHL Build-Transfer Construction Agreement entered into between the Company and COHL will expire on 31 October 2014, the Company and COHL have entered into the New COHL Build-Transfer Construction Agreement.

The Directors consider that the COHL Build-Transfer Construction Transactions will provide opportunities for the Group to strengthen and further its construction related business and qualifications in the PRC through undertaking the BT Projects for the COHL Group. The Directors also consider that the COHL Build-Transfer Construction Transactions will continue to enable the Group to invest in the affordable housing and infrastructure businesses and will enhance the Group’s rapid business development in the PRC.

The Directors (including the Independent Non-executive Directors) consider that the COHL Build-Transfer Construction Transactions are expected to be entered into in the ordinary and usual course of business of the Group, and the COHL Build-Transfer Construction Transactions contemplated under the New COHL Build-Transfer Construction Agreement (together with the COHL Build-Transfer Construction Cap) has been entered into on normal commercial terms after arm's length negotiations between the parties, and the terms of the COHL Build-Transfer Construction Transactions (together with the COHL Build-Transfer Construction Cap) are fair and reasonable and in the interests of the Shareholders as a whole.

OTHERS

References are made to:

- (i) an engagement agreement entered into between the Company and CSCECL on the same date of the New COHL Build-Transfer Construction Agreement, details of which are set out in the announcement of the Company dated 28 October 2014;
- (ii) an engagement agreement entered into between Far East and CSCECL on the same date of the New COHL Build-Transfer Construction Agreement, details of which are set out in the announcement jointly issued by the Company and Far East dated 28 October 2014;
- (iii) a construction contractor engagement agreement entered into between the Company and COLI on 18 May 2012, details of which are set out in the announcement jointly issued by the Company and COLI dated 18 May 2012;
- (iv) a master design consultancy services agreement entered into between the Company and COLI on 19 August 2013, details of which are set out in the announcement jointly issued by the Company and COLI dated 19 August 2013; and
- (v) a master connection services agreement entered into between the Company and COLI on 18 May 2012, details of which are set out in the announcement jointly issued by the Company and COLI dated 18 May 2012.

For clarification purposes, each abovementioned arrangements will not be subject to the provisions of New COHL Build-Transfer Construction Agreement and each of the relevant caps under the abovementioned arrangements for each year/period is separate and distinct from the COHL Build-Transfer Construction Cap.

GENERAL

The Group is principally engaged in building construction, civil engineering works, infrastructure investments and project consultancy businesses.

The COHL Group has been engaging in investments holding and property development.

COHL is the controlling shareholder of the Company. Accordingly, members of the COHL Group are connected persons of the Company. The COHL Build-Transfer Construction Transactions contemplated under the New COHL Build-Transfer Construction Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Since the applicable percentage ratios as defined under the Listing Rules in respect of the maximum total contract sum of BT Projects for each year under the New COHL Build-Transfer Construction Agreement, i.e. the COHL Build-Transfer Construction Cap, are more than 0.1% but less than 5%, the COHL Build-Transfer Construction Transactions contemplated under the New COHL Build-Transfer Construction Agreement are subject to the annual review, reporting and announcement requirements, but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

The Shareholders should note that the COHL Build-Transfer Construction Cap represents the best estimate by the Directors of the amount of the COHL Build-Transfer Construction Transactions based on the information currently available. The COHL Build-Transfer Construction Cap bears no direct relationships to, nor should be taken to have any direct bearings to, the Group's financial or potential financial performance. The COHL Group may or may not contract with the Group to undertake the COHL Group's BT Projects up to the level of the COHL Build-Transfer Construction Cap, if at all, as its engagement is subject to tender procedures of the COHL Group which are open to other independent third party.

As none of the Directors has any material interest in the COHL Build-Transfer Construction Transactions contemplated under the New COHL Build-Transfer Construction Agreement, none of them is required to abstain from voting on the resolutions passed by the Board to approve the COHL Build-Transfer Construction Transactions contemplated under the New COHL Build-Transfer Construction Agreement (together with the COHL Build-Transfer Construction Cap).

DEFINITIONS

In this announcement, the following expressions shall have the meanings set out below unless the context requires otherwise:

“associate(s)”, “connected person(s)”, “subsidiary(ies)”	each has the meaning ascribed to it under the Listing Rules;
“Board”	the board of Directors;
“BT Projects”	the financing, design and construction of housing and infrastructure on the basis of “Build-Transfer” mode in relation to urban-rural coordination projects in the PRC;
“COHL”	China Overseas Holdings Limited, a company incorporated in Hong Kong with limited liability and a controlling shareholder of the Company;
“COHL Build-Transfer Construction Cap”	the maximum total contract sum of the COHL Group’s BT Projects that may be awarded by the COHL Group to the Group for each year under the New COHL Build-Transfer Construction Agreement;
“COHL Build-Transfer Construction Transactions”	the Group’s undertaking of the BT Projects (on the basis of “Build-Transfer” mode) for the COHL Group by the Group as described under the sub-section headed “COHL Build-Transfer Construction Transactions” in this announcement;
“COHL Group”	COHL and its subsidiaries from time to time (excluding the Group and the COLI Group);
“COLI”	China Overseas Land & Investment Ltd., a company incorporated in Hong Kong with limited liability and whose shares are listed on the Main Board of the Stock Exchange (stock code: 688);
“COLI Group”	COLI and its subsidiaries from time to time;
“Company”	China State Construction International Holdings Limited, a company incorporated in the Cayman Islands with limited liability and whose shares are listed on the Main Board of the Stock Exchange (stock code: 3311);

“CSCEC”	中國建築工程總公司 (China State Construction Engineering Corporation), a state-owned corporation organised and existing under the laws of the PRC, being the ultimate holding company of the Company;
“CSCECL”	中國建築股份有限公司 (China State Construction Engineering Corporation Limited), a joint stock company established in the PRC (which is held more than 50% by CSCEC) and whose shares are listed on the Shanghai Stock Exchange (stock code: 601668);
“CSCECL Group”	CSCECL and its subsidiaries (excluding the Group, the COHL Group and the COLI Group) from time to time;
“Directors”	the directors of the Company;
“Far East”	Far East Global Group Limited, a company incorporated in the Cayman Islands with limited liability and whose shares are listed on the Main Board of the Stock Exchange (Stock Code: 830) and a non-wholly owned subsidiary of the Company;
“Far East Group”	Far East and its subsidiaries from time to time;
“Group”	the Company and its subsidiaries (excluding the Far East Group) from time to time;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange;
“Macau”	the Macao Special Administrative Region of the PRC;
“New COHL Build-Transfer Construction Agreement”	the engagement agreement entered into between the Company and COHL on 28 October 2014 in respect of the COHL Build-Transfer Construction Transactions;
“Previous COHL Build-Transfer Construction Agreement”	the engagement agreement entered into between the Company and COHL on 20 September 2011 in respect of the Group’s undertaking of the BT Projects (on the basis of “Build-Transfer” mode) for the COHL Group;

“PRC”	the People’s Republic of China, which for the purpose of this announcement exclude Hong Kong, Macau and Taiwan;
“RMB”	Renminbi, the lawful currency of the PRC;
“Shareholder(s)”	the shareholder(s) of the Company from time to time;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited; and
“%”	per cent..

Unless otherwise specified in this announcement, amounts denominated in Renminbi have been converted, for the purpose of illustration only, into Hong Kong dollars at the rate of RMB0.79 = HK\$1.00. The exchange rate does not constitute a representation that any amount has been, could have been or may be converted at the above rate or any other rates.

By Order of the Board
**China State Construction
International Holdings Limited**
Zhou Yong
Chairman and Chief Executive Officer

Hong Kong, 28 October 2014

As at the date of this announcement, the Board comprises Mr. Zhou Yong (Chairman and Chief Executive Officer), Mr. Tian Shuchen, Mr. Zhou Hancheng, Mr. Pan Shujie, Mr. Hung Cheung Shew and Mr. Wu Mingqing as Executive Directors; Mr. Li Jian as Non-executive Director; and Dr. Raymond Ho Chung Tai, Mr. Adrian David Li Man Kiu, Dr. Raymond Leung Hai Ming and Mr. Lee Shing See as Independent Non-executive Directors.